

ITEM 4

Proposal: Submitting (by the BOD) a proposal to amend certain part of the Company's Articles of Incorporation

Details: (1) In order to comply with the Company's issuance of Series A Preferred Shares and its establishment of an Audit Committee to meet the needs for future growth and to achieve corporate governance, it is proposed to make amendments to some of the Articles of Incorporation. Please see below for a comparison table of the original provisions and amendments.

(2)Please discuss.

Comparison between original Articles of Incorporation and amendments

Items	Original Version	Amendment Version	Reason
Article 6	<p>The total capital amount of the Company is Twenty Billion New Taiwan Dollars (NTD 20,000,000,000), which is divided into Two Billion (2,000,000,000) common shares with a par value of Ten New Taiwan Dollars (NTD10) each and will be issued by installments by the Board of Directors.</p> <p>An amount of One Billion and Fifty Million New Taiwan Dollars (NTD1,050,000,000) from the above total capital amount divided into 105,000,000 shares with a par value of Ten New Taiwan Dollars each (NTD10) are reserved for the issuance of employee stock options.</p>	<p>The total capital amount of the Company is <u>Twenty Five Billion</u> New Taiwan Dollars (NTD <u>25,000,000,000</u>), which is divided into <u>Two Billion Five Hundred Million</u> (2,500,000,000) shares with a par value of Ten New Taiwan Dollars (NTD10) each and will be issued <u>as common shares or preferred shares</u> by installments by the Board of Directors.</p> <p>An amount of One Billion and Fifty Million New Taiwan Dollars (NTD1,050,000,000) from the above total capital amount divided into 105,000,000 shares with a par value of Ten New Taiwan Dollars each (NTD10) are reserved for the issuance of employee stock options.</p>	To meet the need for future capital injection.
Article 6-1	Newly added	<p><u>The Company issues registered Series A preferred shares with the rights, obligations and issuing terms set forth as follows:</u></p> <p><u>1.The interest rate of the preferred shares dividend may not exceed 3.5% per annum.</u></p> <p><u>2.The dividend of the preferred shares shall be made according to the offering price and offering days. Upon acknowledgement of the financial statements of the previous fiscal year at the annual general shareholders meeting and resolution to</u></p>	To facilitate issuing Series A preferred shares.

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		<p><u>distribute earnings, the dividend will be made in cash in one payment. The BOD is authorized to determine the base ex dividend date of the preferred share annual dividend.</u></p> <p><u>3.The earnings of the Company (if any), upon annual closing will first be made to pay for tax, make up for losses, appropriate to statutory reserves and special reserves. The remaining amount will then first be paid to distribute preferred share dividend in priority over the dividends of the other shares.</u></p> <p><u>4.Except for receiving dividend as set out in Paragraph 1 herein, shareholders of Series A preferred shares may not participate in the distribution of common share earnings and capital surplus in the form of cash and capital injection.</u></p> <p><u>5.In the event of no earnings or insufficient earnings to distribute all of the dividend of Series A preferred shares upon annual closing, the undistributed or under-distributed dividend of the year shall be accrued at a compound dividend interest rate until the year with earnings. The amount short will receive full payment with first seniority. However, the accrued preferred share dividend undistributed shall be paid out in full upon expiration of the offering terms.</u></p> <p><u>6.The offering terms of the preferred shares shall not exceed 5 years. Upon expiration of the term, the total shares will be redeemed at the offering price together with the accrued dividend unpaid. In the event of matters beyond control or force majeure that the Company is unable to redeem all or part of the preferred shares, the rights of the shares unredeemed shall</u></p>	

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		<p><u>remain the same as set forth in the issuing terms until the Company makes a total redemption. The dividend will be calculated at the same interest rate for the extended term.</u></p> <p><u>7.The preferred shares may not be converted to common shares during the term.</u></p> <p><u>8.The preferred shares has seniority claim to the remaining assets of the company over common shares and the other preferred shares that are issued after the shares herein, however the amount shall not exceed the offering amount.</u></p> <p><u>9.The shareholders of the preferred shares have voting rights and election rights at the common shareholders' meetings, and also the right to be elected as directors.</u></p> <p><u>10.When the Company issues new share to raise cash capital, the preferred shareholders have senior stock option of the new shares as the common shareholders.</u></p> <p><u>11.The BOD is authorized to govern the other related matters pursuant to the "Rules on Issuance of Series A Preferred Shares" prescribed at the time of offering.</u></p>	
Chapter IV	Directors and Supervisors	Directors and <u>Audit Committee</u>	To meet the need to establish an Audit Committee
Article 11	The Company will have a Board of Directors consisting of seven Directors and three Supervisors, who will be elected by the shareholders' meeting from persons with disposing capacity. Each Director and Supervisor will serve an office term of three years and may be re-elected. The Company may purchase liability insurance for the Directors and Supervisors to protect them against potential liabilities arising from their	The Company will have a Board of Directors consisting of seven <u>to nine</u> Directors, who will be elected by the shareholders' meeting from persons with disposing capacity. Each Director will serve an office term of three years and may be re-elected. The Company may purchase liability insurance for the Directors to protect them against potential liabilities arising from	To meet the need to establish an Audit Committee and to abolish relevant rules regarding the

Items	Original Version	Amendment Version	Reason
	exercising of Director or Supervisor duties. The compensation or transportation allowance paid to the Directors and Supervisors shall be determined by the board of directors' resolution according to the industry standard, no matter whether the Company has profit or suffered loss.	their exercising of Director duties. The compensation or transportation allowance paid to the Directors shall be determined by the board of directors' resolution according to the industry standard, no matter whether the Company has profit or suffered loss.	supervisors
Article 11-1	According to Article 183 of the Securities and Exchange Act, 2 to 4 Independent Directors will be applied to candidate nomination system. Independent Directors will be elected from the shareholders' meeting.	<u>Pursuant to Article 14-2 of the Securities and Exchange Act, at least 3</u> Independent Directors will be applied to candidate nomination system. Independent Directors will be elected from the shareholders' meeting.	To amend the legal grounds for establishing Independent Directors.
Article 11-2	Newly added	Pursuant to Article 14-4 of the SEA, the Company shall establish an Audit Committee. The Audit Committee shall be composed of the entire number of independent directors. The authority of the Audit Committee and the other compliance issues shall be made according to the Company Act, the SEA, other relevant laws and regulations and the company bylaws.	To meet the need to establish an Audit Committee
Article 15	The Board of Directors will prepare the documents set forth below after the end of the fiscal year and submit the same to the Supervisors or for examination before the convening of the relevant shareholders' meeting, and thereafter to the shareholders' meeting for approval. The Supervisors may entrust a certified public accountant on behalf of the Company to perform the above examination. 1. Business report; 2. Financial statements; 3. Profit distribution proposal or loss making-up proposal.	The Board of Directors will prepare the documents set forth below after the end of the fiscal year <u>for submission</u> to the shareholders' meeting for approval. 1. Business report; 2. Financial statements; 3. Profit distribution proposal or loss making-up proposal.	To meet the need to establish an Audit Committee
Article 16	2. one percent (1%) as the remuneration in cash to the Directors and Supervisors;	2. one percent (1%) as the remuneration in cash to the Directors.	To meet the need to establish an Audit Committee
Article 19	June 25, 2008 (11 th).	June 23, 2009 (12 th).	Amendment date

Resolution: